

WEMA Bank Plc. Audited Financial Results for the Full Year ended 31 December 2018.

LAGOS, NIGERIA – 29th March 2018 – Wema Bank PLC (Bloomberg: Wema NL) (“Wema’ or “the Bank”), announces its audited results for year ended 31 December 2018.

- Reports a PBT growth of 59% to **₦4.8billion** in FY 2018 (FY 2017: **₦3.01billion**)
 - Recommends Dividends to shareholders for the first time in 14 years. (Dividend yield of 4%)
 - Deposit growth of 45% on the back of improved brand awareness
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Managing Director/Chief Executive Officer’s review

Despite the challenging macro-environment, Wema Bank delivered modest improvement at the end of the 2018 FY. The group recorded a gross earning of N71.53billion which was a 9.6% increase over the 2017 figure and Profit before tax (PBT) of N4.8billion which represents a 59% growth over the N3.01billion reported in 2017 and profit after tax (PAT) of N3.33billion (N2.26billion in FY 2017). This growth resulted from an 8.59% increase in Interest income and a 13.95% increase in non-interest income.

The Bank continues to improve on its Deposit mobilization while at the same time working down its cost of funds. ALAT (Nigeria’s first fully digital Bank) launched in May 2017 has improved the Banks retail liabilities and customer base; the Bank now onboards over 1,000 new customers daily on the digital platform and continues to grow its partnership profiles.

The Digital Bank continued to receive several accolades in 2018, including the World Finance Awards for Most innovative Bank Africa and the Asian Banker Awards for Best Digital Bank Africa. According to Ademola Adebise, the Managing Director/CEO, “Our vision is to get ALAT to become the premier digital platform in Nigeria. This will be driven by our expertise in the Digital space and our retail partnerships”.

The Bank recorded other notable achievements during the year; It successfully raised Tier-2 capital of N17billion and retained its Investment grade ratings from Fitch, GCR and Agosto.

The Bank is also pleased to be recommending to its shareholders a dividend payment for the first time in 14 years. The Bank recommends a dividend of 3kobo per share in line with the Board approved dividend policy.

— **‘Ademola Adebise (MD/CEO)**

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Financial Performance Highlights

Income statement (N'bn)	FY 2018	FY 2017	(Δ)
Gross Earnings	71.53	65.27	9.60%
Interest Income	57.63	53.07	8.59%
Non-interest income	13.89	12.19	13.95%
Operating expense	32.29	26.77	20.62%
Profit before Tax	4.80	3.01	59.47%
Profit after Tax	3.33	2.26	47.34%
Earnings Per Share	8.60 kobo	5.80kobo	48.27%

Balance Sheet (N'bn)	FY 2018	FY 2017	(Δ)
Total Assets	488.53	388.15	25.86%
Loans and Advances(net)	252.19	215.84	16.84%
Deposits	369.19	254.46	45.09%
Shareholders' Funds	50.89	49.62	2.56%

Key Ratios (in %)	FY 2018	FY 2017	(Δ)
Return on Average Equity	9.55	4.60	4.95
Return on Average Asset	1.09	0.56	0.53
Net Interest Margin	7.08	6.61	0.47
Capital Adequacy Ratio	18.01	14.32	3.69
Liquidity Ratio	34.64	26.25	8.39
Loan-to-Deposit Ratio	68.31	84.82	16.51
Non-Performing Loans Ratio	4.98	3.52	1.46
Cost of Risk	1.34	0.97	0.37

Financial Performance Review

- Gross earnings increased by 9.6% (Y-o-Y) to ₦71.53billion in 2018 from ₦65.27billion in FY 2017, with interest and non-interest income contributing 81% and 19% respectively. Interest income grew by 8.59% Y-o-Y to ₦57.63bn in 2018 from ₦53.07bn in FY 2017. Non-Interest income of ₦13.89bn (13.95% Y-o-Y) in 2018 from ₦12.19bn in FY 2017.
- Profit before Tax (PBT) increased by 59.47% Y-o-Y to ₦4.80billion in 2018 from ₦3.01billion in 2017
- Profit after Tax (PAT) rose 47.34% to ₦3.33billion in FY 2018 from ₦2.26billion in FY 2017
- Interest Expenses down by 8%, causing Net Interest income to increase by 36.52%, this was majorly driven by a reduction in deposits held for other banks.
- Net Loans and Advances stood at N252billion, compared to N216billion in FY 2017 (16.84% Y-o-Y growth)

Operational Achievements

- Fitch, Agosto & GCR re-affirm Wema's National Long-term rating at (BBB-).
- Opened new branches; Aba, Ilupeju, Sangotedo, we also refreshed Lafenwa, Babcock, Warri and Egbeda branches, all to better serve and to expand our customer base

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FOR FURTHER INFORMATION:

WEMA Bank Plc

Tunde Mabawonku (CFO)

+234 1 4622632

tunde.mabawonku@wemabank.com

Glory Ayanwola (Investor Relations)

+234 1 2779786

glory.ayanwola@wemabank.com

Notes to editors:

About WEMA Bank Plc

Established in 1945, Wema Bank is Nigeria's longest surviving indigenous bank. Wema Bank offers a range of retail and SME banking, corporate banking, treasury, trade services and financial advisory to its numerous customers. In 2009, the Bank initiated a strategic repositioning exercise which culminated in a decision to operate as a commercial Bank with regional authorisation in South-South Nigeria, South-West Nigeria, Lagos and Abuja in 2011. Pursuant to meeting the Central Bank of Nigeria requirements, the Bank was granted a banking licence with National authorization in 2015. Wema Bank operates a network of over 150 branches and service stations backed by a robust ICT platform across Nigeria.

WEMA Bank is the pioneer of Africa's first fully digital bank ALAT and one of Nigeria's most resilient banks. With over 73 years in the business of banking, the bank has remained innovative in delivering value to its stakeholders.

More information can be found at www.wemabank.com/investor-relations/

CAUTION REGARDING FORWARD LOOKING STATEMENTS

Any forward-looking statement contained in this presentation, based on past or current trends and/or activities of Wema Bank should not be taken as a representation that such trends or activities will continue in the future. No statement in this presentation is intended to be a profit forecast or to imply that the earnings of the Bank for the current year or future years will necessarily match or exceed the historical or published earnings of the Bank. Each forward-looking statement speaks only as of the date of the statement. Wema Bank expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Wema Bank's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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